



Software Finance & Tax Executives Council
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June 8, 2004

Via Email

Hon. William M. Thomas
Chairman
Committee on Ways & Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Re: Support for H.R. 4520, American Jobs Creation Act

Dear Chairman Thomas:

I write on behalf of the Software Finance and Tax Executives Council (SoFTEC) to express the support of the software industry for H.R. 4520, the American Jobs Creation Act. SoFTEC is encouraged that the Committee on Ways & Means will favorably report this legislation and hopes the House will pass H.R. 4520 and go to conference with the Senate as soon as possible. This bill would fulfill the United States' WTO obligations by repealing the FSC-ETI regime and replace it with a reduction of the marginal tax rate on U.S. producers, including software companies. The bill also includes critical transition relief for current ETI users who will be subject to a substantial tax increase when ETI is repealed. You are to be commended for your leadership in moving this important piece of legislation.

SoFTEC is a trade association providing software industry focused public policy advocacy in the areas of tax, finance and accounting. The many reforms contained in H.R. 4520 are of great interest to SoFTEC's member companies.

In addition to the repeal of the FSC-ETI provisions and the reduction of the tax rate on U.S. producers, H.R. 4520 also would extend the research credit and encourage companies to send their foreign earnings to the United States. These provisions will ensure continued growth of jobs for U.S. workers. Also, the clarification that employee stock purchase plans are not subject to withholding taxes will reduce uncertainty for both employers and employees.

We look forward to working with you and your staff as this bill moves through the Congress and thank you for your leadership.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark E. Nebergall". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark E. Nebergall
President
Software Finance and Tax Executives Council